

Exhibit 2-D

Abed Transcript

*COURTNEY LINDE, et al. VS.
ARAB BANK, PLC*

*GEORGE ABED
March 9, 2012*



126 East 56th Street, Fifth Floor New York, New York 10022
PHONE: (212) 750-6434 FAX: (212) 750-1097
www.ELLENGRAUER.com

Original File 99849.TXT

Min-U-Script® with Word Index

1 UNITED STATES DISTRICT COURT

2 EASTERN DISTRICT OF NEW YORK

3 COURTNEY LINDE, et al.,

4 Plaintiffs,

5 - against -

6 ARAB BANK, PLC,

7 Defendant.

8 CASE NO.: CV 042799

9 PHILIP LITTLE, et al.,

10 Plaintiffs,

11 - against -

12 ARAB BANK, PLC,

13 Defendant.

14 CASE NO.: CV 045449

15 (Caption continues on next page)

16 1301 Broadway
New York, New York

17 March 9, 2012
18 9:08 a.m.

19 VIDEOTAPED DEPOSITION of GEORGE ABED,
20 before Sophie Nolan, a Notary Public of the
21 State of New York.

22
23 ELLEN GRAUER COURT REPORTING CO. LLC
24 126 East 56th Street, Fifth Floor
New York, New York 10022
212-750-6434
25 REF: 99849

1 (Caption cont'd)
-----X
2 ORAN ALMOG, et al.,
3 Plaintiffs
4 - against -
5 ARAB BANK, PLC,
6 Defendant.
7 CASE NO.: CV 04 55647
-----X
8 ROBERT L. COULTER, SR., et al.,
9 Plaintiffs,
10 - against -
11 ARAB BANK, PLC,
12 Defendant.
13 CASE NO.: CV 05365
-----X
14 GILA AFRIAT-KURTZER, et al.,
15 Plaintiffs,
16 - against -
17 ARAB BANK, PLC,
18 Defendant.
19 CASE NO.: CV 05 38818
-----X
20 (Caption continues on next page)
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1 (Caption cont'd)
-----X

2 MICHAEL BENNETT, et al.,

3 Plaintiffs,

4 - against -

5 ARAB BANK, PLC,

6 Defendant.

7 CASE NO.: CV 053183

-----X
8 VIKTORIA AGURENKO et al.,

9 Plaintiffs,

10 - against -

11 ARAB BANK, PLC,

12 Defendant.

13 CASE NO.: CV 10 006267

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1 **A P P E A R A N C E S:**

2

3 **MOTLEY RICE LLC**

4 **Attorneys for Plaintiff**

5 28 Bridgeside Boulevard, P.O. Box 1792

6 Mt. Pleasant, South Carolina 29465

7 **BY: MICHAEL E. ELSNER, ESQ.**

8 PHONE 843-216-9250

9 FAX 843-216-9450

10 E-MAIL melsner@motleyrice.com

11

12 **DEWEY & LeBOEUF LLP**

13 **Attorneys for Defendant Arab Bank**

14 1301 Avenue of the Americas

15 New York, New York 10019-6092

16 **BY: KEVIN WALSH, ESQ.**

17 JOSEPH S. ALONZO, ESQ.

18 PHONE 212-259-7153

19 FAX 212-649-1146

20 E-MAIL kwalsh@dl.com

21

22 **ALSO PRESENT:**

23 **VINCEZO PETULA, Legal Videographer**

24

25

1 ----- I N D E X -----

2 WITNESS EXAMINATION BY PAGE

3 GEORGE ABED MR. WALSH 7

4

5

6 MOTIONS: + 219, 220, 220, 228

7

8

9 ----- E X H I B I T S -----

10 DEFENDANT'S DESCRIPTION FOR I.D.

11 Exhibit 1 Protocol 56

12 Exhibit 2 Circular 159

13 Exhibit 3 Circular 159

14

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16 (EXHIBITS TO BE PRODUCED)

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P R O C E E D I N G S

THE VIDEOGRAPHER: This is tape one. We are now on the record at 9:08 a.m. on Friday, March 9, 2012.

This is the deposition of George Abed in the matter of Courtney Linde et al versus Arab Bank PLC. This deposition is being held at the offices of Dewey & LeBoeuf located at 1301 Sixth Avenue, New York, New York.

The court reporter is Sophie Nolan with Ellen Grauer Court Reporting. I am the legal videographer, Vincenzo Petula, also with Ellen Grauer Court Reporting.

Would counsel please introduce themselves.

MR. WALSH: Good morning. My name is Kevin Walsh. I represent Arab Bank and the witness today, Dr. Abed and I will be joined by my colleague Joseph Alonzo.

MR. ELSNER: My name is Michael Elsner from the law firm of Motley Rice on behalf of plaintiffs. With me today is Graham Maiden from my office as well

1 as Anjana Joshi from my office.

2 THE VIDEOGRAPHER: Will the court

3 reporter please swear in the witness.

4 G E O R G E A B E D, called as a witness,

5 having been first duly sworn, was

6 examined and testified as follows:

7

8 EXAMINATION BY

9 MR. WALSH:

10 Q. Good morning.

11 A. Good morning.

12 Q. Please state your full name.

13 A. George Tewfic Abed.

14 Q. When were you born, sir?

15 A. December 18, 1938.

16 Q. And where were you born?

17 A. In Jifna in the District of

18 Ramallah in what was then Palestine in 1938 and

19 it's now the West Bank.

20 Q. Where do you live now?

21 A. In Bethesda, Maryland.

22 Q. Are you employed?

23 A. Yes, I am.

24 Q. By whom are you employed, sir?

25 A. The Institute of International

1 ABED

2 Q. And what happened in 1985?

3 A. I left the IMF to help establish
4 and manage a newly created humanitarian
5 foundation established in Geneva Switzerland by
6 wealthy private individuals from the Middle
7 East.

8 Q. What was the name of that
9 organization?

10 A. The Welfare ASSOCIATION.

11 Q. And did you have a title at the
12 Welfare Association?

13 A. Yes.

14 Q. What was your title?

15 A. I was appointed director general of
16 the Welfare Association.

17 Q. And what were your responsibilities
18 as director general?

19 A. As director general I would direct
20 the staff of the association and I would attend
21 all the meetings of the board of trustees and
22 the executive committee. I would participate
23 or lead in the preparation of the agenda and
24 I'd oversee the financial activities of the
25 Welfare Association, whether administrative or

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in a -- in the approval process for grants
requested by the beneficiary institutions.

Q. What did the Welfare Association
do?

MR. ELSNER: Objection.

A. The Welfare Association focused on
providing financial support to civic societies
and organizations in the Palestinian
territories and in Lebanon, in the Palestinian
community in Lebanon, to meet the education,
health and cultural needs of those communities.

And the assistance was provided
through grants that followed a certain
procedure for them to be approved and disbursed
and monitored.

Q. Were you familiar as director
general with what educational health and
cultural needs existed --

A. Yes.

Q. -- to which the Welfare Association
responded?

MR. ELSNER: Objection.

A. Yes, I am.

Q. What were those needs at the time

1 ABED

2 you were director general?

3 MR. ELSNER: Objection.

4 A. I had been visiting the Palestinian
5 territories for some time, almost every year
6 when I was at the IMF and when I took over the
7 Welfare Association I also visited the
8 territories specifically to speak with
9 community leaders and people engaged in the
10 health sector and the educational sector. We
11 also commissioned studies on the needs of the
12 Palestinian communities. And these studies
13 helps us formulate strategies to address these
14 needs.

15 Q. What were those needs?

16 MR. ELSNER: Objection.

17 A. The needs were extensive. The
18 needs for medicine, the need for ambulances,
19 the need for teaching material such as
20 computers. The need for training centers to
21 employ trainers, to employ individuals that
22 would help the -- meet those needs in the
23 education and health area.

24 Q. How did the Welfare Association
25 choose recipients of its aid?

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A. I visited quite a few charitable organizations, both in West Bank and Gaza.

Q. How often would you say?

A. I would go there once or twice a year for several years and occasionally I would not go for a year. My staff, as I mentioned earlier, would be there fairly frequently.

MR. ELSNER: Can I just make a quick comment? If you don't mind pausing a quick second so I can issue my objection, sir, so at the end of the day we have a clean record and we're not speaking over one another. I'm sorry, you may continue.

Q. Are you able to tell us how many charitable organizations were operating in Gaza and the West Bank during your tenure as the director general of the Welfare Association?

MR. ELSNER: Objection.

A. We made a census at one point which I believe was not even complete, which included, by the way, charitable organizations in the Palestinian community in Israel as well and the ones registered in Jerusalem and the

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West Bank and Gaza and I believe that number came to well over a thousand, maybe 1,200.

Q. Do you know why there were so many?

MR. ELSNER: Objection.

A. As I mentioned earlier, the population of the West Bank and Gaza then was about 3 million. Now it's close to 5 million. My recollection of the budget of the civil administration, even in the year that I began to study that in 1993 when we looked at the budget of the civil administration from the IMF, the total revenue was around 850 million shekels which at the time was about \$250 million and the expenditures were about the same.

For a population of 3 million plus, the budget of 250 million obviously is not adequate to meet the needs of the population. As a result, many communities had to raise money on their own and fill the gap that was left by the services of the official sector and they were able to finance themselves, locally plus from Palestinian expatriates and international organizations outside Palestine;

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the central bank sets capital requirements for banks, that is the capital that's supposed to be contributed by shareholders to protect the risk -- the bank from any major risks or mishappenings.

And the solvency of a bank is maintained by ensuring that there is adequate capital to address any risk that might occur. If a loan goes bad, that the bank has the ability from that capital and from its own reserves to provision for that loan and, therefore, not incur large losses.

When a bank loses most of its capital where the level becomes inadequate to support the work -- the functioning of the bank, then that bank will be approaching insolvency and normally it would be taken over by the regulator or sent into bankruptcy.

Q. Finally there's a reference in this sentence to "liquidity." Do you have any understanding as to what liquidity means as used in this context?

A. Yes.

MR. ELSNER: Objection.

1 ABED

2 Q. What's your understanding?

3 MR. ELSNER: Objection.

4 A. The liquidity of banks is important
5 because a typical banking system depends on
6 depositors to deposit their money or lenders to
7 lend the bank money and the liquidity requires
8 that a bank should be able to meet its cash
9 obligations any time these -- the owners
10 request their cash or request their funds from
11 the bank.

12 A liquid bank is one who's able to
13 meet those demands. Let's say if depositors
14 want to withdraw their deposits or if
15 bondholders want to cash in their bonds, that
16 the bank is capable of meeting those
17 requirements from its own liquid assets, its
18 own cash. Its own access to liquidity.

19 That bank is then liquid and it's
20 important to have the bank remain liquid and
21 all banks remain liquid to sustain the trust of
22 the population in the banking system and,
23 therefore, reinforce financial stability.

24 Q. Let's take a look at the following
25 paragraph in section seven. There's one

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'98 very high rates of growth were achieved by the Palestinian economy in the West Bank and Gaza.

Q. Okay. Did the growth of the banking sector in the Palestinian territories after 1993 result in any economic changes to the Palestinian economy?

MR. ELSNER: Objection.

A. The banks were instrumental in financing a whole range of major projects, plus providing credit for small businesses and enterprises. The new electricity generation station was built in Gaza at a cost -- I believe it was \$200 million or so. A new telecom system with all the infrastructure was introduced. A number of others building projects were financed, housing, government buildings, infrastructure and so on and most of that was financed by the banking system.

Q. Did the development of the banking sector after 1993 influence the economic behavior of the people who lived in Gaza and the West Bank?

MR. ELSNER: Objection.

1 ABED

2 A. '94 to '96 I believe the first two
3 or three years of the development was a period
4 of rising standards of living, of high rates of
5 growth, of open exchange with Israel, tens of
6 thousands of workers from the Gaza Strip and
7 from the West Bank worked in Israel on a daily
8 basis, trade with Jordan was open to a larger
9 extent than before and investment money came
10 in, donor money came in so it was, economically
11 at least, a very promising period, yes.

12 Q. Had you have heard the phrase, cash
13 economy, at any time, Dr. Abed?

14 A. Yes, we use it a lot in our work as
15 economists.

16 Q. What does that phrase mean to you?

17 MR. ELSNER: Objection.

18 A. Cash economy is when the population
19 and businesses in any particular country rely
20 mostly on cash to effect payments and to pay
21 for transactions, small or big, avoiding the
22 use of banks, let's call it.

23 If the preponderance --
24 preponderance of transactions are settled in
25 cash rather than through the banking system,

1 ABED

2 that would be characterized as predominantly a
3 cash economy.

4 Q. Would you characterize the economy
5 of the Palestinian territories before the
6 creation of the Palestinian Authority as a cash
7 economy?

8 MR. ELSNER: Objection.

9 A. By and large, yes, because there
10 were only, I believe, 30 or 40 branches of the
11 Israeli banks in the territories serving more
12 than 3 million people. Money changers were
13 active who dealt in cash.

14 Q. What's a money changer, by the way?

15 MR. ELSNER: Objection.

16 A. A money changer in the
17 territories -- sorry, a money changer in the
18 territories would be one who provides
19 particular currency in exchange for another
20 currency. Because we had, in the Palestinian
21 territories, at least four currencies in
22 circulation or at least three, I should say,
23 the shekel, the dinar and the dollar, money
24 changers did good business and that was all
25 cash.

1 ABED

2 I think you mentioned that you did a moment
3 ago.

4 MR. ELSNER: Objection.

5 A. The bank supervision and other
6 matters that were concerned -- of concern to
7 the PMA, his efforts to establish a payment
8 system. He had a working group on a payment
9 system. He, I believe, was expecting an expert
10 from the Bank of England, et cetera, et cetera.

11 I mean, some things as to what he
12 was doing at the PMA essentially. That was the
13 purpose of my visit; to sort of get a briefing
14 from him on the technical assistance, on the
15 IMF work with the PMA and the present
16 conditions for the work of the PMA in a very
17 difficult, conflicted situation.

18 Q. Have you heard, in your years at
19 the IMF and the PMA, the word "compliance"
20 used?

21 A. Yes.

22 Q. Does compliance, to your knowledge,
23 have a particular meaning when used in
24 connection with the banking industry?

25 MR. ELSNER: Objection.

1 ABED

2 A. Yes.

3 Q. What does it mean to you?

4 MR. ELSNER: Objection.

5 Q. In that context?

6 MR. ELSNER: Objection.

7 A. Compliance is governed by rules and
8 regulations that raise expectations of the
9 bank's behavior and the bank's conduct.
10 Foremost among these are what we call know your
11 customer, KYC, which requires banks to
12 ascertain not just the identity of the person
13 or persons or business or organizations opening
14 an account with a bank or transacting with the
15 bank, but also the purpose of having an
16 account, the lack of -- the absence of any
17 encumbrments to opening an account.

18 For example, if the purpose or the
19 firm or the business has any criminal record or
20 has been in violation of laws or has been
21 convicted of a crime, the bank is required to
22 ensure that individuals or businesses
23 transacting with the bank are proper, are
24 within the law, have a business establishment
25 if they're a business. They conduct legitimate

1 ABED

2 business. They have full disclosure of their
3 operations to the bank and they provide
4 references, all kinds of identification
5 requirements and so on.

6 The know your customer procedures,
7 KYC, are an important element of the compliance
8 program. There are also compliance
9 requirements with respect to corporate
10 governance, with respect to signature authority
11 and a number of other regulations that banks
12 are supposed to adhere to.

13 Q. During your meeting with governor
14 Haddad when you were director of the Middle
15 Eastern Department, did you discuss with him
16 whether the PMA had systems in place to ensure
17 that the banks it regulated were compliant with
18 the requirements made of them?

19 MR. ELSNER: Objection.

20 A. Yes, I did.

21 Q. Did he tell you anything about what
22 systems, if any, the PMA had with respect to
23 compliance?

24 A. Yes, for example -- well, the know
25 your customer was in place. And they had a

1 ABED

2 Exchange and a few others I don't recall.

3 We debated the membership
4 extensively when I, as governor, was working on
5 the draft with my colleagues and with experts.
6 The list is there in the law and it's available
7 to the public.

8 Q. Why, if you know, was a separate
9 committee on anti-money laundering created in
10 2007?

11 MR. ELSNER: Objection.

12 A. I think it was confirmation of the
13 PMA and the national authority generally to
14 give special importance to preserving the
15 integrity of the banking system and to
16 combatting any illicit or illegal use of the
17 banking system for money laundering or for
18 financing of criminal activities.

19 Q. You told us that an anti-money
20 laundering law was passed in 2005. We looked a
21 moment ago at Exhibit 2 dated 2001 which
22 referenced efforts by the PMA to combat money
23 laundering.

24 Why, if you know, was a law needed
25 with respect to the subject of anti-money

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2 laundering?

3 MR. ELSNER: Objection.

4 A. A law was needed to give full
5 authority to the task of anti-money laundering.
6 It was to give greater independence and
7 autonomy to a national body responsible for
8 that and it was to give the capacity and the
9 means to the staff of that committee to carry
10 out the functions more comprehensively, to
11 coordinate with other ministries more fully and
12 to cover the field of anti-money laundering
13 more comprehensively, I would say, than was
14 being done by the FFU until then.

15 Q. Were you involved in any way in
16 either the drafting or the passage of the
17 anti-money laundering law?

18 A. Yes, I initiated the effort. I
19 inquired as to who could provide assistance to
20 us in this area. I spoke with representatives
21 of the U.S. consulate, the British consulate
22 and with the IMF and in the end we did receive
23 a mission possibly late 2005, I don't recall,
24 consisting of a legal expert from the IMF and
25 an anti-money laundering, anti-terrorist

1 ABED

2 financing expert from the U.K. who worked with
3 me and with the FFU to agree on the basic
4 concepts behind the law and to start drafting
5 articles of the law, and I was involved
6 intimately in all of these discussions.

7 Q. Did you, for want of a better word,
8 spearhead that initiative to procure passage of
9 the anti-money laundering law?

10 A. I would say yes. I don't want to
11 take too much credit for myself, but it was one
12 of my projects.

13 Q. And did you encounter any
14 resistance in attempting to secure the
15 enactment of this law?

16 A. No. I found the banks very
17 cooperative. We found officials in the
18 Palestinian Authority cooperative and
19 specifically we held two outreach events.
20 These are public events where we invited a
21 large number of businessman and women, heads of
22 banks, others in the private sector as well as
23 officials who might be involved in this effort.
24 It was an open meeting. We had over 100, 150
25 people.

1 ABED

2 system.

3 They would check the names against
4 the lists that were at their disposal. These
5 would be the U.S. OFAC list, the UN Security
6 Council list and other lists that banking
7 systems around the world use for designated
8 individuals or organizations.

9 Q. Now, you became governor in 2005;
10 correct?

11 A. Correct.

12 Q. How do you know, as you just
13 testified, that this screening requirement of
14 banks was in place before your arrival?

15 A. I don't have personal knowledge
16 that they were there, but when I was there they
17 already were installed so I presume at least
18 five minutes before I arrived they were there.

19 Q. And what was the OFAC list to which
20 you referred a moment ago?

21 MR. ELSNER: Objection.

22 A. This is a list developed and
23 published by the Office of Foreign Assets
24 Control designating individuals, organizations,
25 businesses with which U.S. banks were

1 ABED

2 A. It came to my attention. The
3 letter of transmission was signed by me.

4 Q. Did you have the opportunity,
5 Dr. Abed, to familiarize yourself while
6 governor of the PMA with the risk management
7 practices of Arab Bank?

8 MR. ELSNER: Objection.

9 A. Yes.

10 Q. What, by the way, does that phrase
11 "risk management practices" mean to you?

12 MR. ELSNER: Objection.

13 A. Risk management practices are the
14 practices followed by different business units
15 within the bank whether it is treasury, human
16 resources, developing compensation systems, the
17 department providing credit to corporates or to
18 individuals, the departments overseeing the
19 credit cards management or financing.

20 All of these business units must
21 have in place, according to a, let's say, risk
22 management system, must have in place
23 procedures to protect the bank's assets against
24 possible risk that might arise.

25 Now, not protecting the operation

1 ABED

2 as against all risk, but that risk to the
3 extent it's taken should be measured and should
4 be matched by your reward that exceeds the
5 risk. So it's balancing the risks and rewards
6 of all bank operations, all bank transactions,
7 all bank trades, but at the same time staying
8 within a -- the broad limits set by the board
9 and by management.

10 Q. What conclusions, if any, did you
11 reach about the risk management practices of
12 Arab Bank during your tenure as governor?

13 MR. ELSNER: Objection.

14 A. It was fairly robust. I knew about
15 the risk management at headquarters in Amman.
16 There was a group risk officer, chief risk
17 officer, who I think was recruited from abroad
18 around the time before I got there whom I met
19 when I visited the Arab Bank in Amman when I
20 was governor and he told me somewhat about the
21 risk management that had been put in place.

22 I later got to know him much better
23 through the IIF. He has been one of our, what
24 should I say, main speakers at conferences that
25 we hold, regional conferences at the IIF.

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of management of the Arab Bank during the period when I was not governor; although, as I say, all indications point to fairly competent management.

Q. Was it of concern to you, Dr. Abed, as governor of the PMA if a bank, subject to your supervision, was involved in the financing of terrorist activities?

A. It would be of great concern, yes.

Q. Why was it a matter of great concern to you?

MR. ELSNER: Objection.

A. It would violate the integrity of the banking system and would undermine the stability of the banking system. It would be a source of serious objection and condemnation on the part of the PMA.

Q. Have you heard of an organization named HAMAS, Dr. Abed?

A. Yes.

Q. Do you consider HAMAS to be a terrorist organization?

A. Yes.

Q. During your tenure as governor did

1 ABED

2 you communicate anything to the banking
3 community in the Palestinian territories about
4 dealings with HAMAS?

5 MR. ELSNER: Objection.

6 A. Yes. In the implementation of
7 regulations governing the registration and bank
8 transactions with charities, none of the
9 charities had the HAMAS name on them. To the
10 extent any were listed on some kind of a list
11 like an OFAC list for being affiliated with
12 HAMAS, these charities were prevented from
13 dealing with the banking system.

14 When HAMAS list in 2006, the HAMAS
15 list, won the plurality of the elections or the
16 majority, I'm not sure, and formed the
17 government, then I as governor instructed the
18 banks not to transact with any official
19 appointed to that government or anyone elected
20 on the HAMAS list in the legislature.

21 So we -- these are some of the
22 measures we took and continued to maintain that
23 position through 2006 and 2007.

24 Q. And just for clarity sake,
25 Dr. Abed, when you refer to the HAMAS list as

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you just did, you're referring to the electoral slate that ran in the Palestinian territories in 2006; is that right?

A. Yes, the election in 2006.

Q. How did you communicate to the banks the information you've just described to them; that they were prohibited from dealing with HAMAS or individuals elected on the HAMAS electoral slate?

MR. ELSNER: Objection.

A. In person, at a meeting of the heads of all banks. Banks themselves had already been quite cautious and some, before I even could meet with them, had already frozen the accounts that, let's say, the minister of finance would have access to or --

Q. And you're referring to government accounts of the Palestinian Authority?

A. Yes, government accounts of Palestinian or individuals who were elected on the election list of HAMAS to the legislature. Banks were already taking measures to freeze those accounts. And I, in my meeting with them shortly after the election, emphasized to them

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ABED

the fact that they could not do this and if they did, they would be sanctioned. And this was understood by everybody and, in fact, put into effect.

Q. What, if anything, did the PMA do during your tenure as governor to detect whether the banks it regulated were involved in terror financing?

MR. ELSNER: Objection.

A. Well, I think the system in place that I described earlier in terms of compliance, the inspections, the stream of data that came to the Bank Supervision Department, conversations with bank officers, visits to the bank branches by qualified inspectors convinced me that banks during my tenure and according to all the information I have did not engage in the financing of terrorism or any other criminal activity.

Q. What did the PMA do if it found that a bank was engaged in terror financing?

MR. ELSNER: Objection.

A. It would be violating one or more of the PMA instructions and would be told

1 ABED

2 Q. Let me rephrase it. It was a
3 cumbersome question, Dr. Abed.

4 Did any of the U.S. authorities
5 with whom you met ask you as governor of the
6 PMA to do anything specific with regard to the
7 prevention of terror financing?

8 MR. ELSNER: Objection.

9 A. No. As I said, I received no
10 specific information that on the basis of which
11 I could act against any of the banks on any
12 specific transaction or activity.

13 Q. Had you been provided with such
14 information, what would you have done?

15 MR. ELSNER: Objection,
16 speculation, relevance.

17 A. I would use existing regulations
18 and laws to intervene.

19 Q. Okay. Have you ever met an
20 individual name Abdul Majeed Shoman, Dr. Abed?

21 A. Yes.

22 Q. Who was he?

23 A. He was chairman of the Arab Bank
24 for many years. He was also, during the time I
25 was with Welfare Association, chairman of the

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ABED

board of trustees of the Welfare Association.

Q. And how frequent were your dealings with him?

A. From '85 to '93 when I was director general of the Welfare Association, I would see him at meetings and occasional visits to Amman to his office about five or six times a year.

Q. How well would you say you knew him?

A. I knew him fairly well from what I knew at the time. He was older than I was and I honestly did not know much about his earlier life, so he's not the person I could say I grew up with and know all about him. I knew him only from the late '70s when I met him with very infrequent contacts until I went to manage the Welfare Association. After I left the Welfare Association, I would see him once or twice a year, usually in the company of others.

Q. What impressions did you form of him?

MR. ELSNER: Objection.

A. He was well-known and confirmed to me through personal relations and working

*COURTNEY LINDE, et al. VS.
ARAB BANK, PLC*

*GEORGE ABED
April 27, 2012*



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PHONE: (212) 750-6434 FAX: (212) 750-1097

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1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK
3 -----X
4 COURTNEY LINDE, et al.,

5
6 Plaintiffs,
7 - against -
8 ARAB BANK, PLC,
9 Defendant.

10 CASE NO.: CV 042799
11 -----X
12 PHILIP LITTLE, et al.,

13 Plaintiffs,
14 - against -
15 ARAB BANK, PLC,
16 Defendant.

17 CASE NO.: CV 045449
18 -----X
19 (Caption continues on next page)

20 1301 Broadway
21 New York, New York

22 April 27, 2012
23 9:35 a.m.

24 Videotaped Deposition of GEORGE
25 ABED, before Shari Cohen, a Notary Public
of the State of New York.

26 ELLEN GRAUER COURT REPORTING CO. LLC
27 126 East 56th Street, Fifth Floor
28 New York, New York 10022
29 212-750-6434
30 REF: 100256

1 (Caption cont'd)
-----X
2 ORAN ALMOG, et al.,
3 Plaintiffs
4 - against -
5 ARAB BANK, PLC,
6 Defendant.
7 CASE NO.: CV 04 55647
-----X
8 ROBERT L. COULTER, SR., et al.,
9 Plaintiffs,
10 - against -
11 ARAB BANK, PLC,
12 Defendant.
13 CASE NO.: CV 05365
-----X
14 GILA AFRIAT-KURTZER, et al.,
15 Plaintiffs,
16 - against -
17 ARAB BANK, PLC,
18 Defendant.
19 CASE NO.: CV 05 38818
-----X
20 (Caption continues on next page)
21
22
23
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1 (Caption cont'd)
-----X
2 MICHAEL BENNETT, et al.,
3 Plaintiffs,
4 - against -
5 ARAB BANK, PLC,
6 Defendant.
7 CASE NO.: CV 053183
-----X
8 VIKTORIA AGURENKO et al.,
9 Plaintiffs,
10 - against -
11 ARAB BANK, PLC,
12 Defendant.
13 CASE NO.: CV 10 006267
-----X
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A P P E A R A N C E S:

MOTLEY RICE LLC

Attorneys for Plaintiff

28 Bridgeside Boulevard, P.O. Box 1792

Mt. Pleasant, South Carolina 29465

BY: MICHAEL E. ELSNER, ESQ.

PHONE 843-216-9250

FAX 843-216-9450

E-MAIL melsner@motleyrice.com

DEWEY & LeBOEUF LLP

Attorneys for Defendant Arab Bank

1301 Avenue of the Americas

New York, New York 10019-6092

BY: KEVIN WALSH, ESQ.

JOSEPH S. ALONZO, ESQ.

PHONE 212-259-7153

FAX 212-649-1146

E-MAIL kwalsh@dl.com

ALSO PRESENT:

GEOFF BOWLER, Legal Videographer

ANJANA JOSHI

1 ----- I N D E X -----

2 WITNESS EXAMINATION BY PAGE

3 GEORGE ABED MR. ELSNER 247, 437

4 MR. WALSH 404

5

6

7 ----- E X H I B I T S -----

8 ABED DESCRIPTION FOR I.D.

9 Exhibit 4 Evaluation 267

10 Exhibit 5 Document 277

11 Exhibit 6 Document 289

12 Exhibit 7 Deposition Transcript 298

13 Exhibit 8 Document 300

14 Exhibit 9 Document 303

15 Exhibit 10 Document 308

16 Exhibit 11 Pakestine Monetary 315

17 Authority Final Report

18 Exhibit 12 Document 339

19 Exhibit 13 Payment 341

20 Exhibit 14 Payment 349

21 Exhibit 15 Photograph 356

22 Exhibit 16 Photograph 358

23 Exhibit 17 Wire Transfer 358

24 Exhibit 18 Document 363

25 Exhibit 19 Document 368

ABED	DESCRIPTION	FOR I.D.
Exhibit 20	Document	395
Exhibit 21	Document	397
Exhibit 22	Document	402
Exhibit 23	Document	437

(EXHIBITS RETAINED BY COURT REPORTER)

S T I P U L A T I O N S

IT IS HEREBY STIPULATED AND AGREED by
and between the attorneys for the respective
parties herein, that the filing, and sealing
of the within deposition be waived.

IT IS FURTHER STIPULATED AND AGREED
that all objections, except as to the form of
the question, shall be reserved to the time
of the trial.

IT IS FURTHER STIPULATED AND AGREED
that the within deposition may be sworn to
and signed before any officer authorized to
administer an oath with the same force and
effect as if signed and sworn to before the
Court.

-oOo-

1 P R O C E E D I N G S

2 THE VIDEOGRAPHER: This is tape
3 one. We are now on the record at 9:34
4 a.m., Friday, April 27, 2012. This is
5 the continuation of the deposition of
6 George Abed in the matter of Linde, et
7 al. verses Arab Bank.

8 This deposition is being held
9 at the offices of Dewey & LeBoeuf
10 located at 1301 Avenue of the
11 Americas, New York, New York.

12 The court reporter is Shari
13 Cohen with Ellen Grauer Court
14 Reporting. I'm the legal videographer
15 Geoff Bowler also with Ellen Grauer
16 Court Reporting. Will counsel please
17 introduce themselves.

18 MR. ELSNER: Michael Elsner on
19 behalf of the plaintiffs. With me
20 today is Anjana Joshi from my office.

21 MR. WALSH: Kevin Walsh on
22 behalf of Arab Bank and the witness
23 Dr. Abed. I'm joined by my colleague
24 Joseph Alonzo.

25 THE VIDEOGRAPHER: Will the

1 court reporter please swear in the
2 witness.

3 G E O R G E A B E D, called as a witness,
4 having been duly sworn by the Notary
5 Public, was examined and testified as
6 follows:

7
8 EXAMINATION BY

9 MR. ELSNER:

10 Q. Good morning.

11 A. Good morning.

12 Q. Mr. Abed, you've never worked
13 in a retail bank, have you?

14 A. No.

15 Q. You would not call yourself a
16 banker, would you?

17 A. No.

18 Q. You are an economist, right?

19 A. By training.

20 Q. You have a degree in economics?

21 A. Yes.

22 Q. You've taught the subject?

23 A. Yes.

24 Q. You worked as an economist for
25 21 years for the International Monetary Fund?

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ABED

system.

MR. ELSNER: Objection, move to
strike after directly.

Q. While working at the IMF
through July of 2004 you never personally
reviewed Arab Bank's compliance system, did
you?

MR. WALSH: Objection.

A. I personally received reports
about the development of the banking system.
I was in touch with experts with our resident
representatives. I was familiar with what
compliance procedures the banks were
introducing, what risk management procedures
they were introducing. I remained familiar
with what is happening in the banking system
in the West Bank and Gaza.

MR. ELSNER: Objection, move to
strike.

Q. You personally never reviewed
Arab Bank's specific compliance system, did
you?

MR. WALSH: Asked and answered.

A. I did not.

1 ABED

2 Q. Prior to 2004, right?

3 A. Yes.

4 Q. From 2000 to 2004 you did not
5 review any Arab Bank's account records, did
6 you?

7 A. No, I did not.

8 Q. Aside from on this trip in late
9 2002 or 2003 where you met the former Prime
10 Minister, you also testified that you met
11 with the governor of the PMA; is that right?

12 A. Yes.

13 Q. What was his name?

14 A. Amin Haddad.

15 Q. Are you aware that Governor
16 Haddad was actually fired by the Palestinian
17 Legislative Council?

18 MR. WALSH: Objection,
19 foundation.

20 A. He was not fired that I know
21 of.

22 Q. Are you aware that there was a
23 report prepared by the legislature in the
24 Palestinian territories on corruption
25 mismanagement in 2004?

1 ABED

2 the manual by which the bank supervision
3 department operated.

4 Q. You became the governor and
5 chairman of the board of the Palestinian
6 Monetary Authority on April 2, 2005; is that
7 right?

8 A. Correct.

9 Q. That was after the intifada had
10 ended in 2004, correct?

11 A. Correct.

12 MR. WALSH: Move to strike.

13 Q. Any information you obtained
14 about Arab Bank's compliance system prior to
15 your arrive in 2005 was information that was
16 told to you by somebody else or that you read
17 from a report that someone else prepared,
18 correct?

19 A. That's correct.

20 Q. You didn't have personal
21 involvement in Arab Bank's compliance issues
22 prior to 2005, correct?

23 MR. WALSH: Objection.

24 A. I believe I testified about my
25 different contacts at the Arab Bank that

1 ABED

2 Intifada Fund, did I read that correctly?

3 MR. WALSH: Objection, hearsay,
4 foundation.

5 A. Yes, you read what's in the
6 document correctly.

7 Q. The document also says your
8 donations are being received at various
9 branches of the Arab Bank in the Hashimite
10 Kingdom of Jordan, correct?

11 MR. WALSH: Objection, hearsay,
12 foundation.

13 A. That's what this document reads
14 in English, yes.

15 Q. Were you aware, sir, that the
16 Welfare Association was collecting donations
17 for the Al-Aqsa Intifada Fund?

18 MR. WALSH: Objection, hearsay,
19 foundation.

20 Q. Through Arab Bank branches?

21 MR. WALSH: Same objection.

22 A. I was not engaged with the
23 Welfare Association in 2000. I was not aware
24 and this is what this advertisement says,
25 then one would have to look into the details

1 ABED

2 of this. I'm not sure exactly what the
3 circumstances leading to this and how the
4 money was raised if the money was raised and
5 where it went and so I cannot make any
6 judgment about that.

7 MR. WALSH: Move to strike.

8 MR. ELSNER: Thank you, sir. I
9 have no further questions.

10 MR. WALSH: Let's take two
11 minutes.

12 THE VIDEOGRAPHER: We are now
13 off the record at 2:23 p.m.

14 (Recess taken.)

15 THE VIDEOGRAPHER: We are now
16 on the record at 2:28 p.m., April 27,
17 2012.

18 EXAMINATION BY

19 MR. WALSH:

20 Q. Good afternoon, Dr. Abed. I
21 have just a few additional questions for you.
22 Earlier today Mr. Elsner showed you Exhibit 5
23 and I'd like you to place that document
24 before you. It's the document with the
25 heading centralbanking.com. Do you have